

# Retiring Times

Volume 3 Number 1

Teachers

December 2003

## Message from Retirement Operations Director Cynthia L. Webster

Here are some tips that can be used by all, whether you have 40 years to retirement or less than a year.

For those of you with more than 20 years to retirement, start thinking about it now. Open a 403(B), 457, or IRA account. In twenty years time, you could see your money grow significantly through the effects of compounding and double in value several times. Putting aside just \$50 a month may grow to \$50,000 in 20 years.

How much do you need to save? A common rule-of-thumb is that savings in one or more of these tax-deferred accounts should contribute 20 to 30 percent of your projected retirement income. The other 70 to 80 percent will come from Social Security and your pension plan as a teacher.

If you are 10 years from retirement, think about reducing the amount of debt that you will carry into retirement. Pay more than required for your mortgage to reduce the total number of years to pay off the mortgage. Eliminate credit card debt. Try to plan your purchases of major items – such as appliances or cars – so they will be paid in full before you retire. If you have few or no outstanding loans or payments, your retirement dollar will go further.

If you may retire within a year, begin an information-gathering process now. Call the Retirement Office at 828-2305 (or call toll-free from within Vermont at 1-800-

642-3191) to get a retirement packet and obtain an estimate of your pension amount.

After you have reviewed the packet and estimate of your pension amount, make an appointment to see one of our retirement counselors. During your meeting with a retirement counselor, you will discuss health insurance, taxes and your pension payment options, and possible employment after retirement. You may also complete your retirement application and other necessary forms during your visit. If possible, bring your spouse since both of you should be actively involved in making plans for your retirement.

Consider scheduling your appointment with a retirement counselor for a time other than school breaks – school breaks fill up fast because everyone is trying to obtain appointments during these vacations. The ideal time to see a retirement counselor is late winter or early spring. This gives you time to think about the information that you will receive from the counselor before making a final decision on whether to retire at the end of the school year.

You should also contact Social Security to determine if you are eligible now and, if so, whether it would be better to immediately apply for social security payments or to wait for a few years since the amount that you receive partially depends upon

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your age. Social Security can also provide an estimate of your payments if you are interested in taking the "level-funding" option from the Teachers Retirement System. (If you don't know what the level-funding option is, then check our web page at [www.vermonttreasurer.gov](http://www.vermonttreasurer.gov) for that and lots of other information.)

Finally, take the time to consider what you will do after retiring. Plan to be active since you will stagnate if you aren't. Common ac-

tivities after retirement include part-time jobs, community service, volunteer work at a church or charitable organization, travel, developing a hobby, or taking care of the grandchildren.

Whatever you do in retirement, it should give you satisfaction and make you feel needed. If you can achieve that, then you will attain the best that the Golden Years have to offer.

Cynthia L. Webster



## Retiring Times Merges Active and Retired Newsletters



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*Retiring Times* is published quarterly by the Vermont State Teachers' Retirement System.

Editor: Joseph Bahr

*Retiring Times* features a new format with this issue. Each edition of the newsletter will have information for both active and retired teachers.

The information for retired teachers will be on the Retirees' Page, usually the third page of the newsletter. Retirees can flip right to page three to find information that is important to them. We encourage active members to also read the Retirees' Page to learn about matters that will be important to them when they retire. Articles for retirees will often continue on the back page.

Active teachers will find the Director's Message of interest. There will also be occasional messages from State Treasurer Jeb Spaulding. Since many retired teachers still have friends and col-

leagues who are working in the schools, these articles should also be of interest to retirees by keeping them up-to-date on topics that are important to their friends and colleagues.

*Retiring Times* welcomes your comments on our new format. Send them to:

Retiring Times  
Vermont State Retirement Systems  
133 State Street  
Montpelier, VT 05633-6901

You can also send a message by e-mail to [jbahr@tre.state.vt.us](mailto:jbahr@tre.state.vt.us) and the editor of your newsletter will receive it.

## Time to Update Your Address

If you have moved during the last year and have not yet notified the Retirement Office, please give us your new address before the end of the year. We need your current address to send information on your retirement system. If you are retired, we also need your current address to mail tax statements.

Active teachers can call us toll-free at 1-800-642-3191 (callers in the Montpelier area can dial 828-0653).

Retired teachers must send their new address to Vermont State Retirement Systems, 133

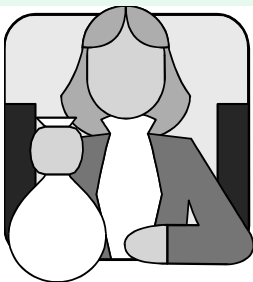
State Street, Montpelier, VT 05633-6901. *If you are retired, your address change must be in writing.* For your protection, the Retirement Office does not take address changes by phone for retirees. The tax information that we send to retirees is confidential and requires a higher level of security than for active teachers.

If active or retired teachers live in central Vermont, you can also stop in at the office and give us your address change in person. We are on the second floor of the state office building at 133 State Street.

## Cost-of-Living Increase for 2004

Retirees will receive a COLA (Cost-of-Living Adjustment) in January of 1.05% for those retired from Groups B or C and 2.1% for those retired from Group A. To receive the COLA, you must have received at least 12 pension checks. If you have not yet received your first 12 pension checks, then you will not receive a COLA until the following year (2005).

## Take Your Automatic Deposit to Your Winter Residence



Most retirees receive their monthly pension payment as an automatic deposit in their bank account. If you have separate summer and winter residences, please change the bank account for your automatic deposit. If you don't, your pension payment will not follow you to your winter residence.

## Health Insurance Open Enrollment

Your health insurance features "open enrollment" periods from now through January 15, 2004. To switch insurance plans, join the retirees' health insurance system, or add dependents to your insurance plan, simply notify the Retirement Office at 828-5189. (From within Vermont, you may also call toll free at 1-800-642-3191.)

Contact us by December 15, 2003, and the changes that you request in your health insurance plan will be effective January 1, 2004. Or call us by January 15, 2004, and the changes in your health insurance plan will be effective February 1, 2004.

## Election Results

The Vermont State Teachers' Retirement System had an election for a trustee position this spring. Both candidates – Jon Harris of Mount Mansfield Union High School and Jeff Isham of Moretown Elementary School – had excellent qualifications.

A total of 1,015 ballots was received by June 20. The results were 720 votes for incumbent Jon Harris and 295 votes for challenger Jeff Isham. Jon Harris won a second term on the Board and will serve until 2007.

The Retirement Office congratulates both candidates. The election generated interest among teachers and both men were well received by voters. We thank both candidates for their dedication to the State Teachers' Retirement System and their desire to serve teachers by being a member of the Board.

All Board meetings are open to the public. Please check our website at [www.vermonttreasurer.gov](http://www.vermonttreasurer.gov) for upcoming meeting agendas and minutes of past meetings.



**Best Wishes to all for a happy holiday  
season from the entire staff at the  
Retirement Office.**



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